




INTRODUCTION TO APS

THE PINNACLE
OF FINANCIAL
SOLUTIONS

An Authorised Financial
Services Provider
FSP 1722 & 6949

A close-up photograph of a silver fork and knife resting on a dark, reflective plate. The silverware features intricate, engraved floral patterns. The background is a soft, out-of-focus grey. Overlaid on the left side of the image are several thin, light green lines forming a complex, geometric pattern of triangles and polygons, resembling a stylized starburst or a modern architectural design.

Introduction to APS & Analytics Consulting



Founded in 2004, APS Asset Management (Pty) Ltd (APS) is a boutique investment manager approved by the Financial Sector Conduct Authority as a discretionary Financial Services Provider.

APS offers investors financial solutions that are tailored to their needs and risk tolerance, enhanced by the scale benefits of over R7 billion in local and international assets that are managed by APS.

APS upholds high standards of transparency with regular client communications, including detailed monthly investment performance reports.

APS focuses on constructing optimal investment solutions for investors in partnership with Analytics Consulting, an independent investment consultant who provides technical investment management services and innovative enhancements to APS.

APS, Analytics Consulting, and Ci Collective Investments operate within a strict licensed regulatory environment, adhering to compliance requirements, including fidelity insurance mandated by the FSCA.



APS ASSET MANAGEMENT BACKED BY ANALYTICS CONSULTING

Backed by an
investment team
from Analytics
Consulting with
over 130 year's
experience

APS ASSET MANAGEMENT



COLLA KRUGER

Group Managing Director,
Key Individual and Associate
B Juris (SA), RE1, RE3, RE5

30 +



JAPIE NEETHLING

Director and Associate
National Certificate in Financial
Planning (NQF 6), RE5

30 +



HAROLD NIMMO

Director and Associate
National Certificate in Financial
Planning (NQF 6), RE1, RE3,
RE5

35 +

ANALYTICS CONSULTING



DR LANCE VOGEL

BSc, BSc (Hons), MSc, PHD
Director of Analytics and
investment professional of
Analytics Consulting

30+



DANIEL SCHOEMAN

BCom (Hons), MSc, CFP, CFA
Portfolio Manager, Analytics

20+



ABOUT ANALYTICS CONSULTING



Analytics Consulting was established through a **management buyout (MBO)** of Investec Analytics (Pty) Ltd in December 2004



Investec Analytics was the retail **multi-manager** operation of Investec Asset Management



Privately owned and completely **independent**



No external shareholders (management and staff only)



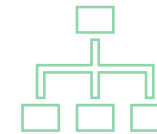
A dedicated team of **25 + seasoned investment professionals**



One of the **largest** independent multi-managers



Offices in **Johannesburg, Cape Town and Port Elizabeth**



Assets under management and consulting: **R90 billion +**



Philosophy &
Portfolio Structure

INVESTMENT PROCESS AND PHILOSOPHY

The starting point for any investment process is the portfolio construction philosophy.

Optimal portfolio construction implies blending elements of passive (or Beta), smart beta (or Multi-factor) and active (or Alpha) strategies in a cost-effective basis.

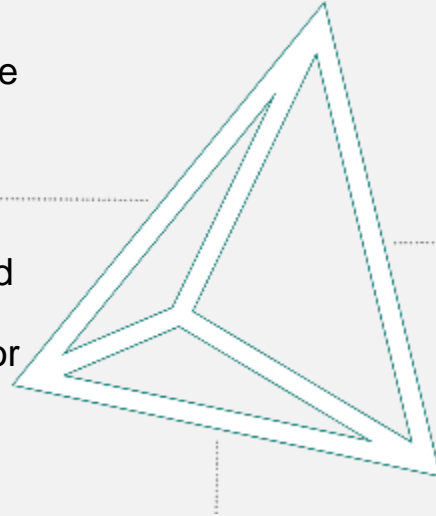
The optimal combination of all three of these elements should produce cost efficient, consistent outperformance of the strategic benchmarks over time.

Skills based Alpha

Alpha strategies are those investment processes employed by active managers which can't be replicated by beta or multi-factor strategies and attempt to outperform both the market and factor returns over the longer term.

Investment Styles

Multi-factor strategies attempt to capture those common risk characteristics (factors) such as value, quality or momentum which seek to provide investors with a premium over the market (beta) return over long periods of time.



The Market

Beta strategies aim to track certain market indices, are cost-effective and if bought and held for long time periods, are difficult to beat by active managers.

We utilise all three strategies in the South African Equity component of the funds, since the weighting to the equity component is typically larger than the rest of the asset classes, and because all three of these strategies are well-developed and available for equities.

For South African Property we may utilise Beta strategies as the most cost-effective way of gaining exposure to property.

From time to time we may invest in an Alpha manager in this space, when appropriate.

In the case of South African Bonds and Cash, we utilise Beta and Alpha strategies, since Multi-factor strategies for these asset classes are relatively less developed and available.

INVESTMENT PORTFOLIOS

APS Ci Cautious Fund

The investment objective of this portfolio is to provide investors with long-term capital growth while maintaining a low-risk profile. It aims to generate a return of CPI + 3% per annum over any rolling three-year period.

The portfolio will have equity exposure of up to 40% and will comply with the guidelines set by Regulation 28.

APS Ci Moderate Fund

The investment objective of this portfolio is to provide investors with medium- to long-term capital growth while maintaining a medium-risk profile. It aims to generate a return of CPI + 5% per annum over any rolling five-year period, with a moderate risk profile.

The portfolio will have equity exposure of up to 60% and will comply with the guidelines set by Regulation 28.

APS Ci Managed Growth Fund

The investment objective of this portfolio is to provide investors with maximum long-term capital growth while maintaining a high-risk profile. It aims to generate a return of CPI + 6% per annum over any rolling five-year period and is designed for high-risk investors.

The portfolio is limited to a maximum of 75% equity exposure and will comply with the guidelines set by Regulation 28.

APS Ci Equity Fund

The investment objective of the portfolio is to deliver long-term capital growth by investing in local and global equity and non-equity securities.

The portfolio aims to outperform the FTSE/JSE All Share Index over any rolling 5-year period, maintains a high-risk profile, and will have an equity exposure of no less than 80%.

APS Ci Global Flexible Feeder Fund

The investment objective of this portfolio is to provide capital growth over a rolling 3–5-year period by offering investors exposure to a single international collective investment scheme portfolio, comprising a diversified mix of global asset classes.

The APS Global Flexible Fund, the target portfolio, will adhere to the investment restrictions of the portfolio and allocate assets in proportions deemed appropriate by the investment manager from time to time. The APS Global Flexible Fund will not be restricted in its asset allocation and will not focus on any specific geographical area, industry, or sector.

LOCAL EQUITY

**Ci Equity
(Passive)**

**Ci Engineered
Equity Core
(Factor)**

**Quality Core
& Ci Alpha
(Active)**

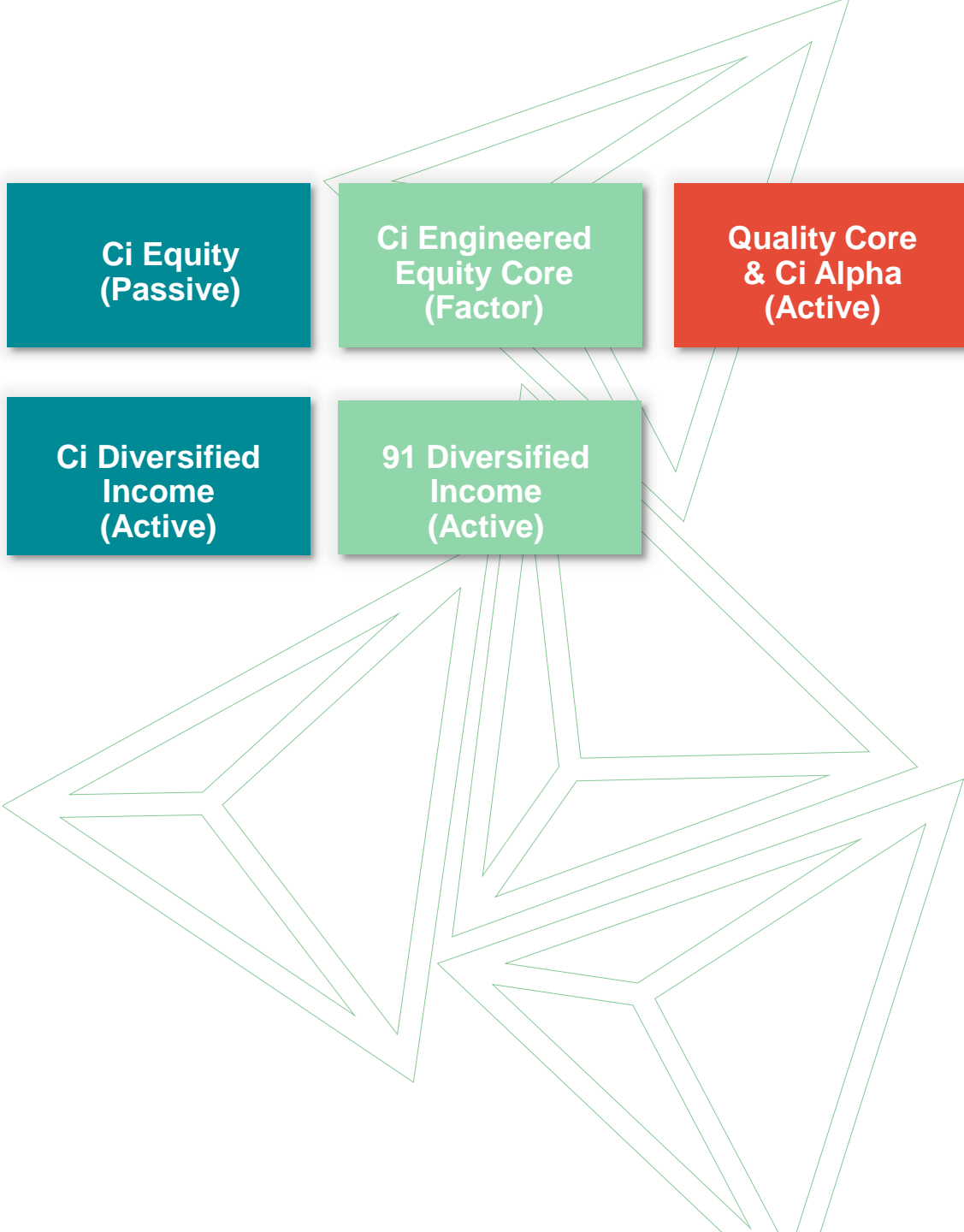
**LOCAL FIXED
INCOME**

**Ci Diversified
Income
(Active)**

**91 Diversified
Income
(Active)**

LOCAL CASH

**APS GLOBAL
FLEXIBLE**



**LOCAL
PORTFOLIO
STRUCTURE**

DETAIL REGARDING LOCAL PORTFOLIO STRUCTURE

Local Equity building block

- Ci Equity (SA equity fund following the broad S&P SA SWIX100 index through passive investment strategies)
- Ci Engineered Equity Core (multi-factor fund following the S&P SA QVM40 Index through passive investment strategies)
- Swaps (for either SWIX100 or QVM40 indices to efficiently and cost-effectively replicate the indices)
- Ci Alpha (active equity fund manager Fairtree Equity)
- Local Quality Core (active quantitative fund following a long-term quality investment style)

Local Fixed Income building block

- Ninety One Diversified Income (active multi-asset fixed income fund)
- Ci Diversified Income (long term multi-asset income fund)

Local Cash building block

- Stanlib Corporate money market
- ZAR cash

Diversified mix of passive, multi-factor and active components

GLOBAL EQUITY

**Ishares World
Equity &
Vanguard
S&P500
(Passive)**

**Ishares World
Multi-factor
(Factor)**

**Fundsmith Equity &
Global Quality Core
(Active)**

**GLOBAL
INFRASTRUCTURE**

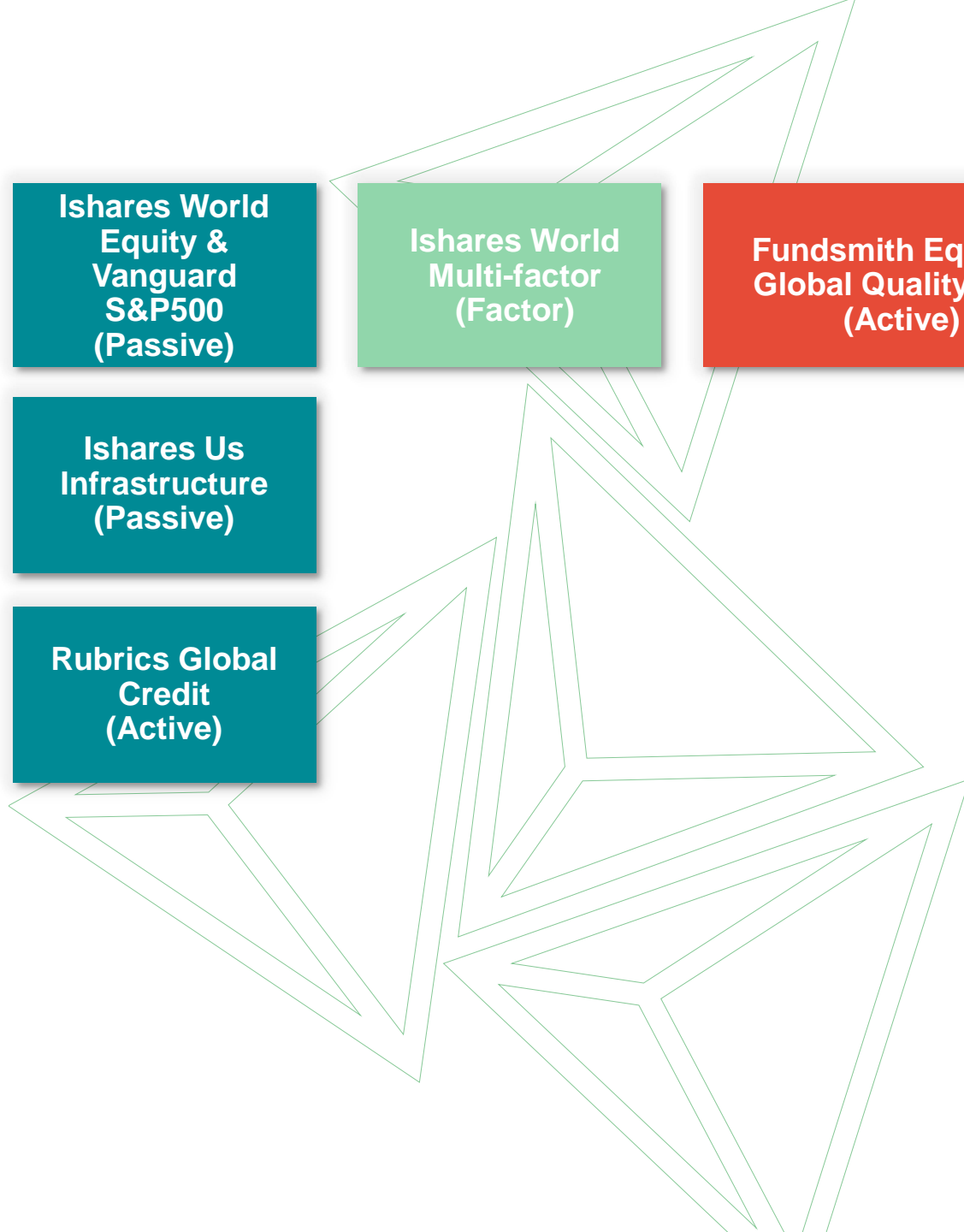
**Ishares Us
Infrastructure
(Passive)**

**GLOBAL FIXED
INCOME**

**Rubrics Global
Credit
(Active)**

GLOBAL CASH

**GLOBAL
PORTFOLIO
STRUCTURE**



DETAIL REGARDING GLOBAL PORTFOLIO STRUCTURE



Global Equity building block

- iShares MSCI World Index (passive tracker fund following MSCI World index)
- Vanguard S&P500 ETF (passive tracker fund following S&P500 index)
- iShares MSCI World Multi-factor ETF (passive tracker fund following MSCI World multi-factor index)
- iShares Global Equity Factor ETF (passive tracker fund following the Global Equity Factor index)
- Fundsmith Equity (active quality fund)
- Global Quality Core (active quantitative fund following a long-term quality investment style)

Global Infrastructure building block

- iShares US Infrastructure ETF (passive tracker fund following US Infrastructure index)

Global Bond building block

- Rubrics Global Credit Fund (active credit fixed income fund)

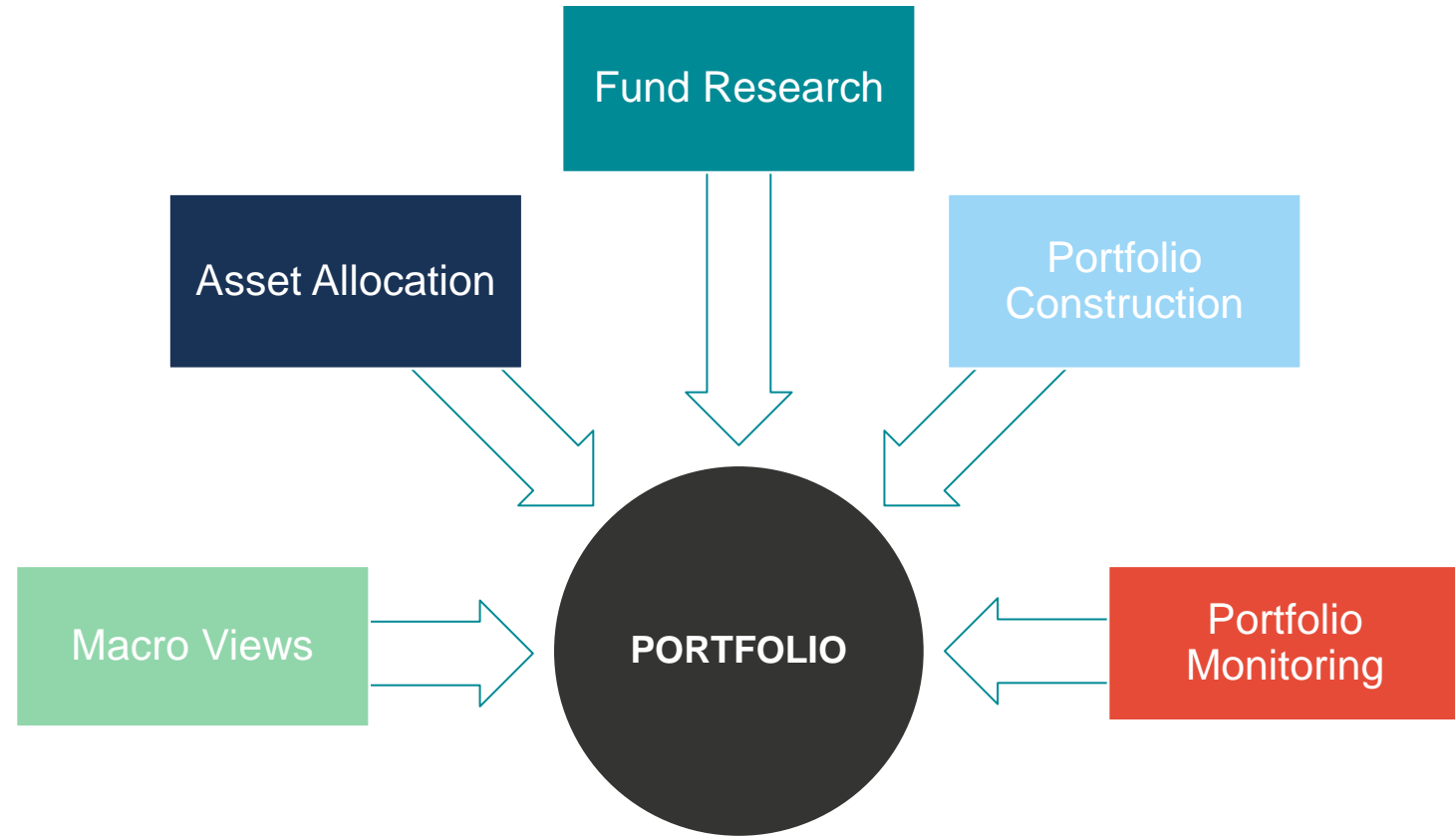
Global Cash building block

- iShares Ultrashort Bond ETF
- iShares Floating Rate ETF
- USD & YEN cash

Diversified mix of
passive, multi-
factor and active
components



Process



PROCESS

MACRO VIEWS

- External macro research partners: MRB & TS Lombard
- Interactions with global and local Asset Managers
- Own analysis: Bloomberg & FactSet
- TAA guidelines
- Currency Decoder

TAA GUIDELINES: EXAMPLE

TAA Guidelines Description

A tactical asset allocation model is used as a guideline in suggesting potential over or underweights to the specific asset classes in the APS Funds relative to their strategic asset allocation benchmarks.

The TAA factors are calculated using a combination of historical and forward PE ratios. A TAA factor of 1 indicates a neutral weighting; a TAA factor of greater than 1 indicates an overweight weighting and a TAA factor of less than 1 indicates an underweight position to a specific asset class.

18 November 2024	Tactical Adjustment
Equity exposure*	SAA weighting factor
Global Equity	0.95
USA S&P 500	0.91
USA Eq Wgt S&P 500	0.90
Global Equity ex USA	1.17
UK Equity	1.29
Europe Equity	1.19
Emerging Markets	1.19
China (SHSZ CSI 300)	1.14
Global Infrastructure	1.26
SA Equity: investment grade status	1.55
SA Equity: sub-investment grade status	1.05
Listed property exposure	
SA Listed Property	1.05
Global Listed Property	0.97

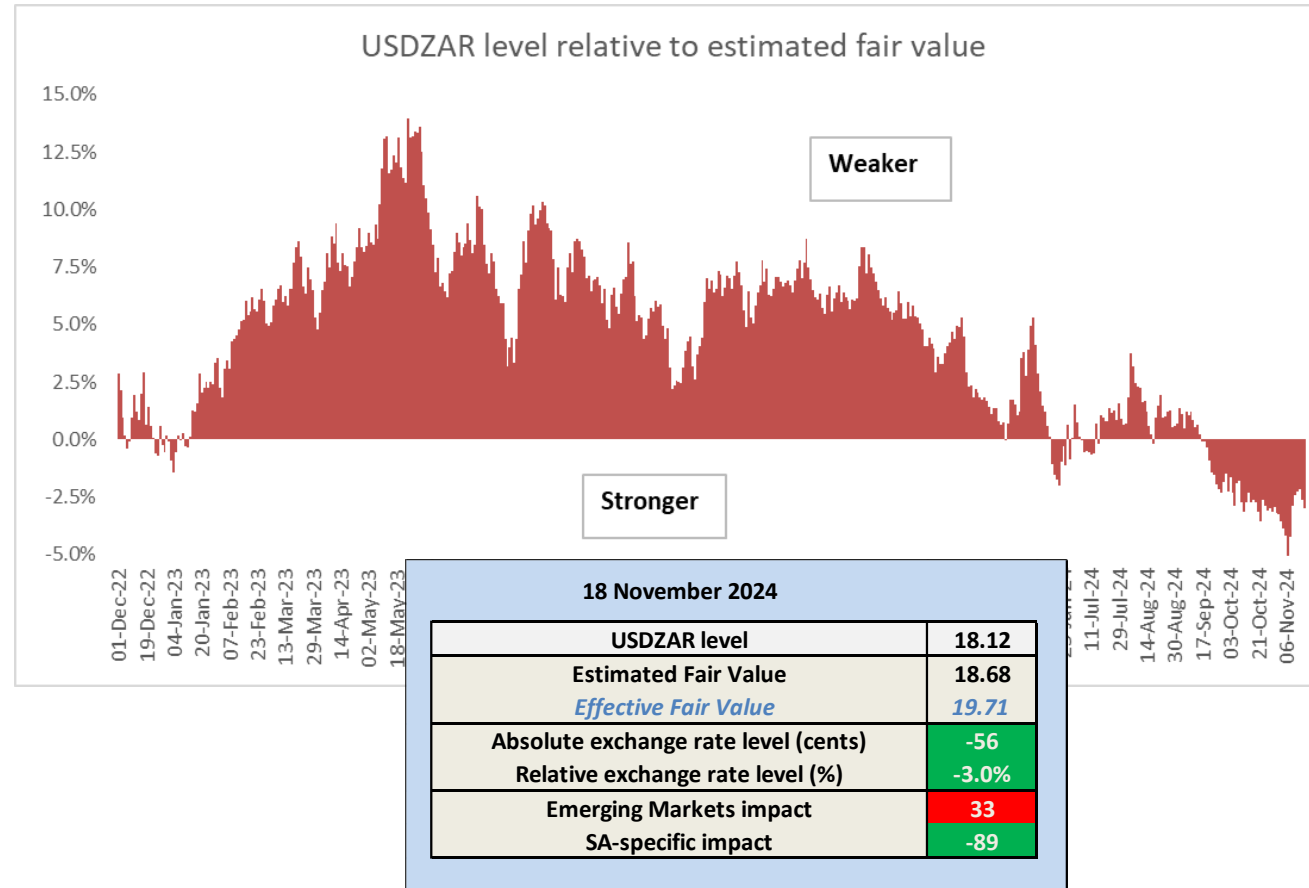
**Each of these geographical regions is analysed independently using a combination of historical and forward Price-to-Earnings metrics*

CURRENCY DECODER: EXAMPLE

Currency Decoder Description

A currency decoder quantitative model is used to gain further insight into potential weakening or strengthening of the Rand, to inform potential adjustments to the offshore exposure of the APS Funds.

The above example indicates that the fair value of the model is currently at a R/\$ level of 18.68; whereas the actual value of the R/\$ was 18.12 – thus suggesting a weakening bias in the Rand in the future.



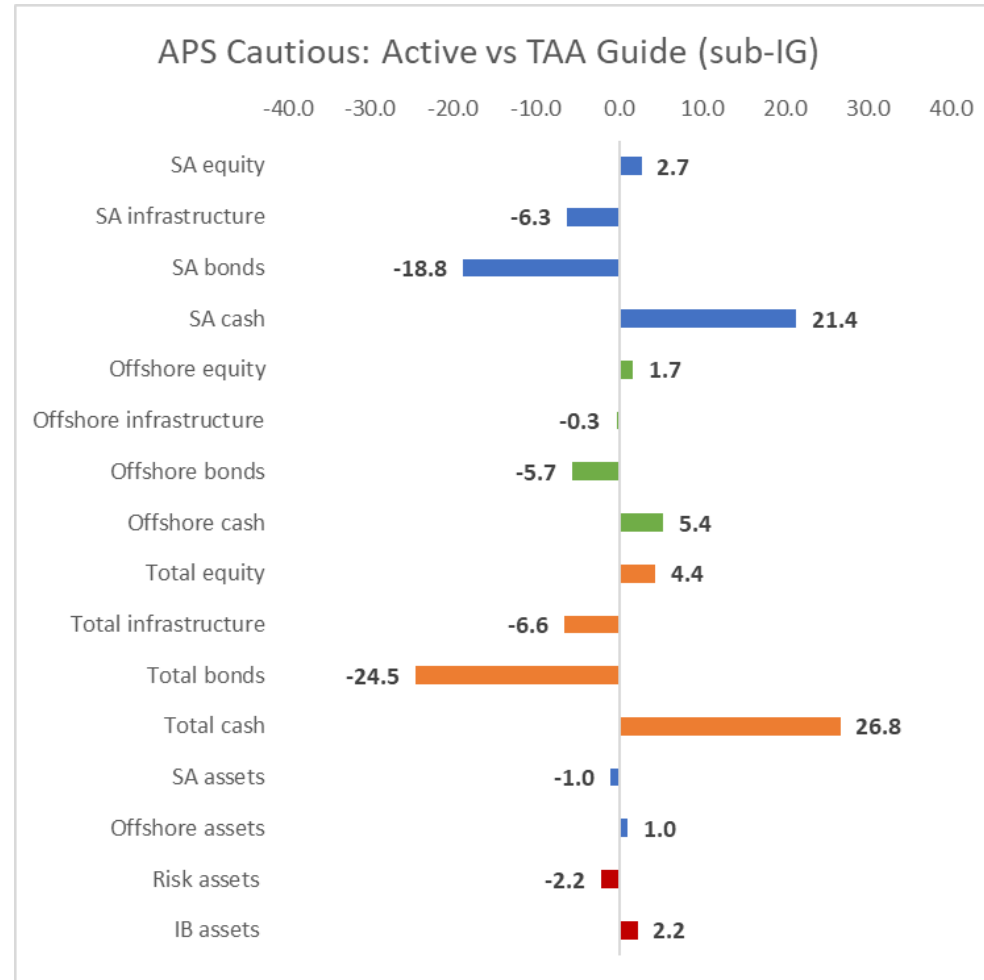
ASSET ALLOCATION

Asset Allocation

The composition of the APS portfolios is defined by the relationship between the equity and fixed income exposure, with the risk increasing as the exposure to the equity market increases. Each fund has a pre-determined strategic asset allocation which is monitored on an on-going basis to maintain each portfolio's risk profile.

Portfolios are constructed in accordance with a strategic asset allocation policy, which represents the long-term static asset allocation which the Investment Committee believes offers the highest probability in achieving the portfolios' respective investment objectives.

In addition to the strategic asset allocation, the Investment Committee monitors the macro-economic environment with a view to determining whether tactical asset allocation changes are necessary.



Total equity: 38.5% Total offshore: 41.0%

FUND RESEARCH: GENERAL

- Ongoing interactions with Fund Managers
- Internal Qualitative System: Manager Hub
- Third Party Research and Software: Morningstar Direct
- Formal Due Diligence sessions on Fund Managers with APS Investment Committee members

FUND RESEARCH: QUALITATIVE



FUND RESEARCH: QUANTITATIVE

Screening

- Shortlist of funds based on fund size, track record, reputation and experience of the asset manager

Analysis

- Rolling returns versus peers and indices
- Drawdowns of funds
- Consistency of returns over time
- Style analysis of funds
- Correlations between funds

Ongoing Monitoring

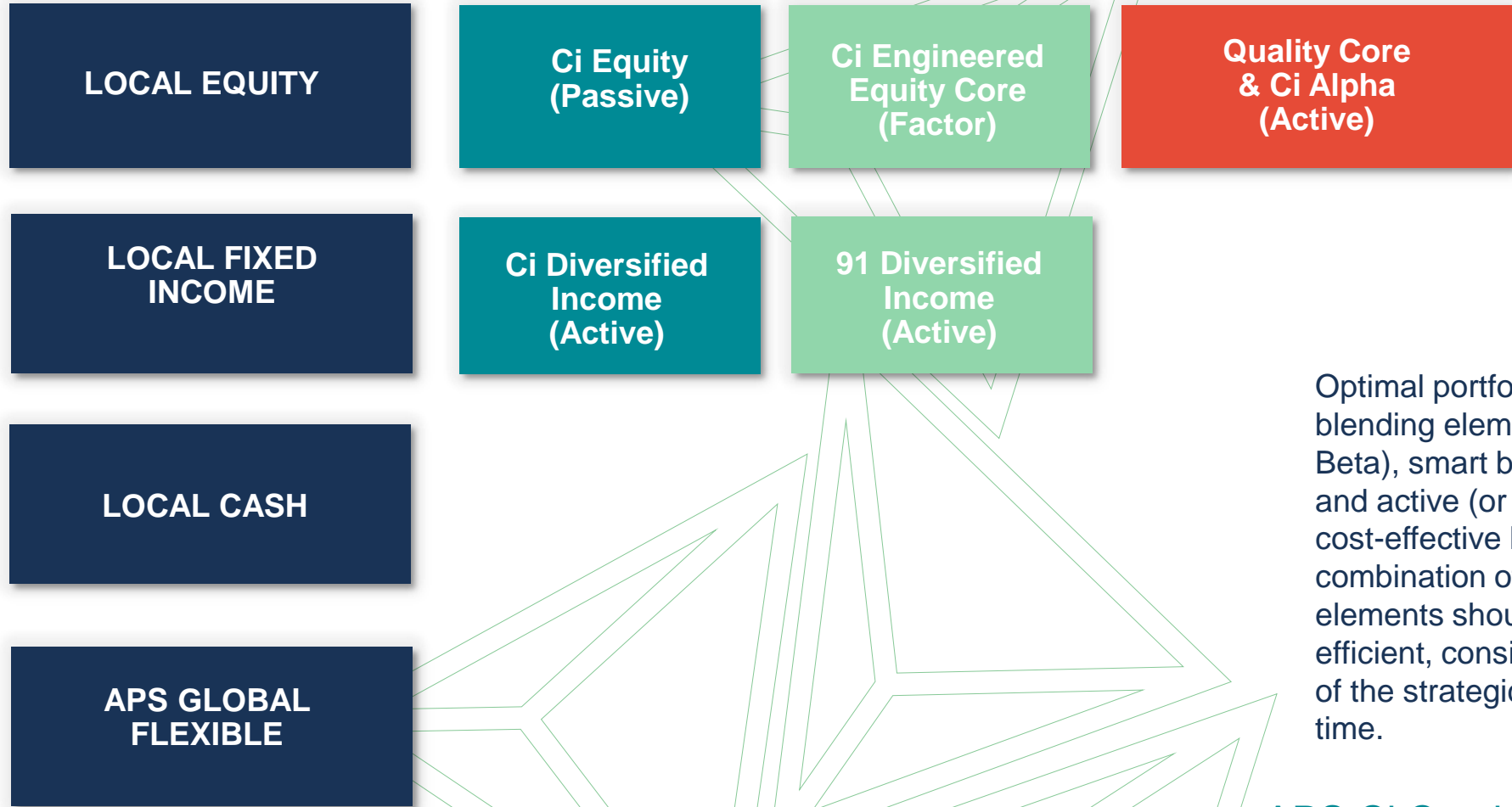
FUND RESEARCH: ESG

- Not implemented a formal prescriptive ESG framework
- Engage with underlying fund managers regarding their ESG policies
 - Member of Responsible Investing Organisation/Initiative?
 - Explicit vs Implicit in their processes?
 - Exclusions of investments based on ESG criteria?
 - Internal or External scoring systems?
 - Dedicated ESG team/products?

FUND RESEARCH: REVIEW DISCIPLINE

- Change in the fund manager's corporate structure or shareholding
- Change in key investment personnel
- Change in investment philosophy and/or process
- Loss of assets under management that could place asset manager under financial stress

PORTFOLIO CONSTRUCTION



Optimal portfolio construction implies blending elements of passive (or Beta), smart beta (or Multi-factor) and active (or Alpha) strategies in a cost-effective basis. The optimal combination of all three of these elements should produce cost efficient, consistent outperformance of the strategic benchmarks over time.

APS Ci Cautious Portfolio Structure

PORTFOLIO MONITORING

- Daily Portfolio Detail reports
- Monthly Investment reports, FFS & Macro Overviews
- Monthly Investment meetings
- Quarterly Investment meetings



Benefits

Diversified
across various
investment
strategies, asset
classes and
geographies

BENEFITS



The APS Funds are managed by an experienced investment committee team who carefully select and monitor the underlying funds. The underlying funds are diversified across various investment strategies, asset classes and geographies, to ensure consistent performance across various market environments.

- **Enhanced diversification:** The APS Funds invest in a variety of underlying funds managed by different experts. This spreads risk across various investment strategies, asset classes, and geographies, reducing the impact of poor performance by any single manager.
- **Professional management:** The APS Funds are managed by experienced investment professionals who carefully select and monitor the underlying funds. This expertise helps optimise the portfolio's performance and risk management.
- **Access to highly-rated fund managers:** The APS Funds provide access to a diverse range of top-performing fund managers, even those that may not be accessible to individual investors.
- **Reduced single-manager risk:** By investing in multiple managers, the risk of relying on a single manager's performance is mitigated. If one manager underperforms, the impact on the overall fund is lessened.

Continued

BENEFITS



- **Tactical Asset Allocation:** The APS Funds employ a tactical asset allocation approach, balancing over or underweights to different asset classes in the APS Funds relative to their strategic asset allocation benchmarks to achieve optimal risk-adjusted returns.
- **Cost-Effective:** The APS Funds strive to be more cost-effective than investing directly in multiple individual funds.
- **Dynamic portfolio management:** The APS Funds adapt to changing market conditions by adjusting the allocation to different underlying funds. This flexibility allows for dynamic portfolio management.
- **Transparency of underlying holdings:** The APS Funds are required to disclose their investment strategies, underlying holdings and fee structures, providing investors with complete transparency.
- **Convenience:** Investing in an APS Fund simplifies the investment process, eliminating the need to research and manage multiple individual funds.
- **Tax advantages:** Within the APS Funds, no CGT events will be incurred when the APS Investment Committee makes changes to underlying funds or investments, allowing clients to control their own tax affairs.



Introduction to APS Securities

ABOUT APS SECURITIES

A Disciplined Quality-Driven Approach To Wealth Creation

Who are APS Securities?

APS Securities constitutes a team of portfolio managers and analysts offering diversified, actively managed, cost-efficient Securities and Multi-Asset Portfolios.

We specialise in bespoke private share portfolios and segregated mandates, offering tailored solutions for our clients.

Local and Global Expertise

We specialise in managing portfolios for ultra-high net worth individuals.

Our Team

Our team is part of APS Asset Management which oversee in excess of R6bn worth of local and offshore investments.

Quality-Driven Investment Excellence

PHILOSOPHY

Quality at the Core

- **Commitment to Quality**
 - Investment philosophy centred on quality as the foundation of long-term success.
 - Every decision guided by an unwavering focus on delivering exceptional outcomes for clients.
- **Disciplined and Rules-Based**
 - Follow a structured, quantitative approach to ensure consistent and objective decision-making.
 - Aim to balance risk and return while maximizing portfolio quality.
- **Client-Centric Approach**
 - Dedicated to safeguarding and growing client wealth through transparency, discipline, and trust.



Investment Process

Quality-Driven Investment Excellence

Universe Screening

Begin with a broad screening of the investment universe.

Focus on **key quality metrics**, such as:

- Earnings consistency
- Resilience across economic cycles
- Value creation over time

Identify securities that meet rigorous quality and sustainability standards.

Valuation Analysis

Assess each security's current valuation relative to its 5-year historical range.

Identify opportunities with:

- Strong fundamentals.
- Compelling value and room for appreciation.

Ensure each investment combines quality with a favourable risk/reward profile.

Portfolio Optimization

Use advanced quantitative techniques to optimize holdings and weightings.

Construct a portfolio that achieves **maximum quality per unit of risk**.

Align portfolio design with clients' risk tolerance and financial goals.

Client Commitment



Partnership and Trust

We are more than managers - we are partners invested in clients' success.

Deep commitment to delivering long-term value and financial wellbeing.

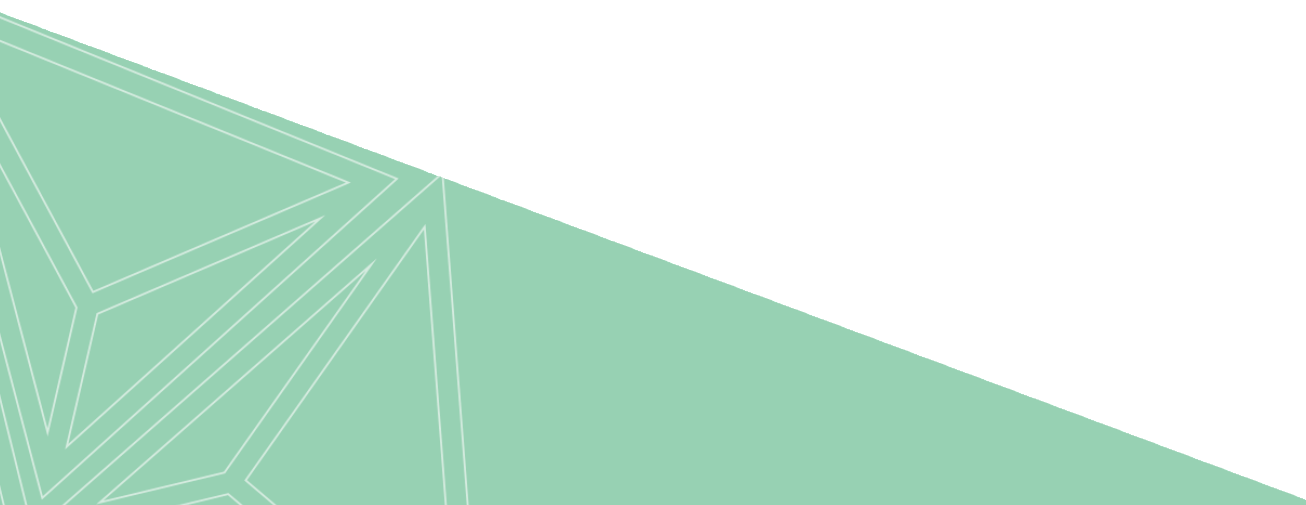
Transparency and Discipline

Structured, repeatable process to ensures clear, consistent outcomes.

Every portfolio reflects our passion for quality and disciplined execution.

Peace of Mind

Strive to provide confidence and security in achieving clients' aspirations.



DISCLAIMER

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Collective investment schemes ("CIS") are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up and past performance is not necessarily a guide to future performance. Ci does not provide any guarantee either with respect to the capital or the return of a portfolio. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. International Investments may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from Ci. Forward pricing is used. The portfolios may be closed from time to time in order to manage them more efficiently in accordance with their mandate. The APS portfolios are portfolios established and administered by Ci, and APS Asset Management has been appointed to manage and market the portfolios. Ci retains full legal responsibility for the co-named portfolios. Additional information on the portfolios may be obtained, free of charge, directly from Ci. Ci Collective Investments (RF) Pty Ltd ("Ci") is authorised in terms of the Collective Investment Schemes Control Act to administer the portfolios. Ci is a non-voting ordinary member of the Association of Savings & Investment South Africa (ASISA).

Company/scheme: Ci Collective Investments (RF) (Pty) Limited, PO Box 412249, Craighall, 2024; Tel: 0861 000 881, website: www.cicollective.co.za

Trustee: FirstRand Bank Limited Tel: (011) 371 2111.

The background features a complex, abstract geometric pattern of white lines on a solid green background. The pattern consists of multiple overlapping, nested shapes that resemble stylized triangles or polygons, creating a sense of depth and movement. The lines are thin and white, contrasting sharply with the green background.

Thank You